

EXECUTIVE CHAMBERS

HONOLULU

July 10, 2007

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 91

Honorable Members
Twenty-Fourth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 91, entitled "A Bill for an Act Relating to Public Accountancy."

The purposes of this bill are to delete the private or government experience alternative for licensure as a certified public accountant (CPA) and to amend the educational requirements to take the CPA examination.

This bill is objectionable because it concurrently erects barriers to licensure while diluting CPA licensing requirements.

First, this bill repeals the ability of an applicant for a CPA license to substitute experience in the private or government sector for all or part of the two years of experience in public accounting practice that is required. Hawaii enacted its statute in 1997 to allow private sector or government experience to count toward the licensing requirement. The overwhelming majority of other licensing jurisdictions in the United States recognize and accept private and government work as qualifying experience for licensure as a CPA (i.e., out of fifty-five jurisdictions, fifty jurisdictions recognize government or private experience in one form or another).

Second, this bill lowers the standards for licensure by allowing an individual to sit for the CPA licensing examination without first obtaining a baccalaureate degree in accounting or a

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bachelor of arts degree in another field with an additional eighteen semester hours of upper division or graduate level accounting or auditing coursework. Instead, an individual with a baccalaureate degree in any course of study and no accounting or auditing coursework can sit for the examination. According to the American Institute of Certified Public Accountants, this would make Hawaii the only state that would allow an individual to sit for the CPA licensing examination without the required baccalaureate accounting degree and accounting and auditing coursework.

For the foregoing reasons, I am returning House Bill No. 91 without my approval.

Respectfully,


LINDA LINGLE
Governor of Hawaii